VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: Range	Resources-Pine Mountain, Inc.)
	EXCEPTION TO STATEWIDE SPACING LIMITATIONS PRESCRIBED BY VA. CODE § 45.1-361.17(a)(2) FOR WELL V-530079		VIRGINIA GAS AND OIL BOARD DOCKET NO. 08-1209-2414
LEGAL DESCRIPTION:)	
V-530079 TO DEPICTED ON Elihu K. Cou Tract T-253, Haysi QUADRA Ervinton MAG Dickenson CO (the "Subjec	252.33 acres NGLE, ISTERIAL DISTRICT UNTY, VIRGINIA t Lands" are more particularly Exhibit "A" attached hereto)))))))))))

REPORT OF THE BOARD

FINDINGS AND ORDER

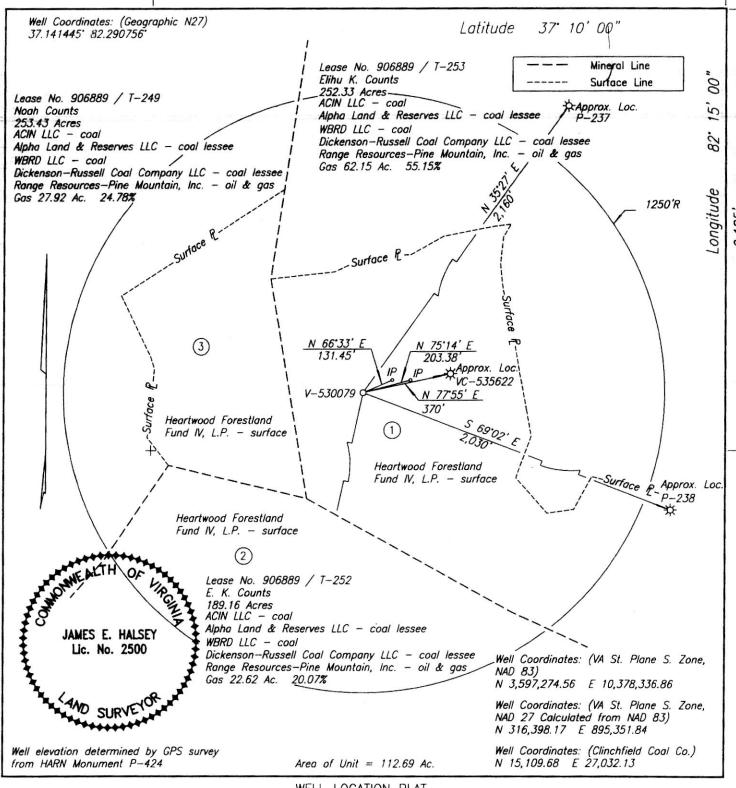
- Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on <u>December 9, 2008</u>, at the Sourthwest Virginia Higher Education Center, Abingdon, Virginia.
- 2. Appearances: <u>Timothy E. Scott</u> appeard for the Applicant; and Sharon B. Pigeon, Assistant Attorney General, was present to advise the Board.
- 3. <u>Jurisdiction and Notice</u>: Pursuant to Va. Code § 45.1-361.1 <u>et seq.</u>, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships,

associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of this application. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

- 4. Relief Requested: Applicant requests (1) an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. V-530079.
- 5. Relief Granted: The requested relief in this cause be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. V-530079, 2160 feet from Well No. P-237 and 2030 feet from well P-238, at the location depicted on the Plat attached hereto.
- 6. Special Findings: The Board specifically and specially finds:
 - 6.1 Applicant is <u>Range Resources-Pine Mountain</u>, <u>Inc.</u> is duly authorized and qualified to transact business in the Commonwealth of Virginia;
 - Applicant Range Resources-Pine Mountain, Inc. is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
 - 6.3 Applicant claims ownership of Conventional Gas leases of of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. V-530079.
 - The proposed Well <u>V-530079</u> is located on a surface, coal, oil and gas tract being part of a tract consisting of <u>252.33</u> acres known as <u>Nelihu K. Counts Tract T-253</u> and the surface, coal, gas and oil owner has consented to the proposed location for Well <u>V-530079</u> that is depicted on the Plat attached hereto as Exhibit A;
 - 6.5 The Applicant testified it has the right to participate in the reciprocal WellsP-237 and P-238 and that the granting of the application filed herein will not impact the correlative rights of any person;
 - An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well <u>V-530079</u> is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of <u>250</u> million cubic feet of Conventional Gas underlying Subject Drilling Unit, and to generally effect the purposes of the Virginia Gas and Oil Act;

- 6.7 Applicant proposes the drilling of Well No. V-530026 to a depth of 4925 feet on the Subject Drilling Unit at the location depicted in Exhibit A to produce all the Mississippian and Devonian age formations including, but not limited to, Ravencliff, Maxon Big Lime, Weir, Berea and Devonian Shale, from surface to a total depth of 4925 feet (Subject Formations");
- 6.8 Applicant proposes to drill Well <u>V-530079</u> a distance of **2160 feet from well P-237 and 2030 feet from P-238** which is closer than the 2500 feet mandated by statewide spacing;
- 6.9 Applicant proposes to complete and operate Well <u>V-530079</u> for the purpose of producing Conventional Gas;
- 7. <u>Conclusion</u>: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- 8. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 $\underline{\text{et}}$ $\underline{\text{seq}}$. and Rule 2A of the Rules of the Virginia Supreme Court.
- 9. Effective Date: Effective Date: This Order shall be effective as of the date of the Boards approval of this application which is set forth in Paragraph 1 above.

DONE AND EXECUTED this 25 majority of the Virginia Gas and Oil Board.	_ day of	20 09 , by a
DONE AND PERFORMED this 2.4 Order of the Board.	Chairman, Bradley C. Lamber day of Vovember,	
	David E. Asbury, Jr. Principal Executive to the Sta Virginia Gas and Oil Board	shury aff
STATE OF VIRGINIA COUNTY OF RUSSELL Acknowledged on this 24 day of 2 before me a notary public in and for the Com Lambert, being duly sworn did depose and sa and Oil Board, and appeared David E. Asbur that he is Acting Principal Executive to the S they executed the same and were authorized	amonwealth of Virginia, appe by that he is Chairman of the ry, Jr., being duly sworn did d staff of the Virginia Gas and C	Virginia Gas epose and say
My commission expires 9/30/13	Registration No. 1793	lic 94



WELL LOCATION PLAT

COMPANY Range Resources - Pine Mountain, Inc. WELL NAME AND NUMBER V-530079
TRACT NO. Ls. No. 906889/T-253 ELEVATION 1.788.91' QUADRANGLE Haysi
COUNTY <u>Dickenson</u> DISTRICT <u>Ervinton</u> SCALE <u>1" = 400'</u> DATE <u>10-28-2008</u>
This Plat is a new plat <u>x</u> ; an updated plat; or a final location plat
Denotes the location of a well on United States topographic Maps, scale 1 to
⁺ 24,000, latitude and longitude lines being represented by border lines as shown.
Jan E. Helen
Licensed Professional Engineer of Licensed Land Surveyor Exhibit

EXHIBIT B RANGE RESOURCES – PINE MOUNTAIN, INC. WELL NO. V-530079

Tract 1

Mr. Steve Smith Alpha Land and Reserves, LLC 5703 Crutchfield Drive Norton, Virginia 24273

Mr. John Mooney Vice President & Regional Manager ACIN LLC P. O. Box 2827 Huntington, West Virginia 25727

Mr. John Mooney WBRD, LLC P. O. Box 2827 Huntington, West Virginia 25727

Mr. Steve Smith
Chief Engineer
Dickenson-Russell Coal Company, LLC
and
Maxxim Shared Services, LLC
5703 Crutchfield Drive
Norton, Virginia 24273

Equitable Production Company Cloverleaf Square Building B Big Stone Gap, Virginia 24219 George B. Heflin, Director of Affairs

Tract 2

Mr. Steve Smith Alpha Land and Reserves, LLC 5703 Crutchfield Drive Norton, Virginia 24273

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